

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

|                                 |   |                  |
|---------------------------------|---|------------------|
| In the Matter of the Protest of | ) |                  |
|                                 | ) | DOCKET NO. 18553 |
| [REDACTED],                     | ) |                  |
|                                 | ) | DECISION         |
| Petitioner.                     | ) |                  |
| _____                           | ) |                  |

On November 3, 2004, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayer), proposing income tax, penalty, and interest for taxable years 1999 through 2002 in the total amount of \$5,052.

The taxpayer filed a timely appeal. He did not request a conference. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayer was an Idaho resident who appeared to meet the state income tax filing requirements. The Bureau attempted to contact the taxpayer for clarification without success.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

**63-3045. Notice of redetermination or deficiency -- Interest.** (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau prepared the missing Idaho returns on behalf of the taxpayer and sent him a NODD. The taxpayer, through his representative, filed a timely protest. The Bureau sent the taxpayer and his representative each an acknowledgement of the protest wherein the taxpayer was once again asked to prepare and submit Idaho income tax returns for filing. When that letter did not prompt a response, the taxpayer's file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent a letter advising of the taxpayer's appeal rights to both the taxpayer and his representative.

On May 19, 2005, the taxpayer's representative sent a fax stating that the taxpayer had been afraid to file tax returns because he had been targeted by the IRS, but he is now ready to file. The representative said: "I am just now assembling [Redacted] Schedule C records from which Returns will follow as soon as available and before June 15<sup>th</sup>." Yet no returns have been submitted to the Tax Commission for filing.

Tax Commission records show that during the years 1999 through 2002 the taxpayer was an Idaho resident with Idaho sourced income in excess of Idaho's filing requirement. The taxpayer does not dispute these facts. However, Tax Commission records show the taxpayer has not submitted an Idaho return for any of those years.

The Bureau used information shown in the taxpayer's W-2s and 1099s [Redacted] to calculate the taxpayer's Idaho tax. The standard deduction and credit for one personal exemption were allowed. Withholding that was identified in Tax Commission records and a grocery credit reduced each year's tax amount. The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is

presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated November 3, 2004, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

| <u>YEAR</u> | <u>TAX</u> | <u>PENALTY</u> | <u>INTEREST</u> | <u>TOTAL</u>   |
|-------------|------------|----------------|-----------------|----------------|
| 1999        | \$ 647     | \$162          | \$220           | \$1,029        |
| 2000        | 918        | 230            | 238             | 1,386          |
| 2001        | 926        | 232            | 169             | 1,327          |
| 2002        | 1,008      | 252            | 119             | <u>1,379</u>   |
|             |            |                | TOTAL           | <u>\$5,121</u> |

Interest is computed through May 16, 2005.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayer's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2005.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

### **CERTIFICATE OF SERVICE BY MAIL**

I hereby certify that I have on this \_\_\_\_\_ day of \_\_\_\_\_, 2005, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]  
[REDACTED]  
[REDACTED]

[Redacted]

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